THE
Dan Smoot Report

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DAN SMOOT

POLITICS AND PRINCIPLES

In his January, 1968, State of the Union Message, President Lyndon Johnson spoke of inflation as "a tragedy for every American family." He indicated that the people cause inflation by spending too much of their own money; and he chided Congress for not taking some of that excess money away from the people, by enacting the 10% surtax he had asked for in 1967.

President Johnson demanded that Congress enact his 10% surtax in 1968 — to halt inflation. Congress obeyed.

The worst inflation our nation has ever suffered has occurred since Congress imposed the surtax to *halt* inflation.

In 1968, Richard Nixon correctly explained that the people do not cause inflation by spending their own money. Government causes inflation by extravagant spending and deficit financing. Saying "it's time to quit pouring billions of [tax] dollars into programs that have failed," *candidate* Nixon held out hope that his administration would relieve the people of the surtax burden.

But *President* Nixon had hardly received his first paycheck (which represented a doubling of the presidential salary) before he was demanding extension of the 10% surtax to prevent the people from keeping enough of their own income to cause inflation — which had spiraled so wildly since the surtax was enacted to halt it that the country faced the worst monetary crisis in its history.

Republicans in Congress were primarily responsible for defeating Johnson's surtax proposal in 1967, and Republicans generally were opposed to it in 1968. The Republicans denounced Johnson's monstrous budgets as irresponsible, saying that Democrats should halt inflation, not by piling more taxes on the people, but by spending less of their money.

In 1969, however, Republicans supported Nixon's demand for extension of the surtax. The bill to extend the surtax was passed in the House on June 30, 1969, by a vote of 210 to 205: 154 Republicans

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for the surtax, 26 Republicans against; 56 Democrats *for*, 179 Democrats against.

Among the Democrats who opposed the surtax extension was John Rarick of Louisiana, who says:

"It is patently ridiculous to attack inflation by taxing the private sector of our economy to remove dollars from circulation only to pump those same dollars back into the economy by continued deficit financing and wild government spending in the public sector."

That was not a partisan comment. Mr. Rarick was expressing the same view when the surtax was being demanded by a Democrat President.

John Ashbrook of Ohio (one of the 26 House Republicans who voted against the surtax extension this year) has made a partisan speech about the surtax — partisan in the finest sense: Mr. Ashbrook takes his own Republican Party to task for betraying its promises to the people.

Congressman Ashbrook says:

"In the aftermath of the 210 to 205 vote by which the House of Representatives extended the 10-percent surtax for one year. . . . the argument continues as to whether this is really a check on inflation.

"I would still argue that taking $10 billion away from the people who *might* spend it, and giving it to the federal government which will *absolutely* spend it, is no check on inflation. . . .

"I listened to my party leaders talk about this as a unity vote for Republicans and the responsible position. As for unity . . . when the unity is for purposes which are questionable this is little more than a call to abdicate principle. If all you are interested in is unity, you might as well emulate the Mafia. They have cohesion, unity of purpose, and discipline. . . .

"I heard the word 'responsible' used over and over. Was it responsible to vote for the surtax extension? I think not. It was . . . a full-steam-ahead signal to the spenders to proceed with their plans for bigger programs which will ultimately be heaped on the backs of the American taxpayer.

"It was sad indeed to listen to Republican speaker after Republican speaker call this extension a responsible action but then pay only scant attention to the biggest need of all — the responsibility of the Republican Party to cut unnecessary spending, to dampen the fires of inflation by restraining federal extravagance.

"As I have said so many times, our problem is not that we are undertaxed as a people; it is that the government has overspent, overpromised, overprogrammed and followed pie-in-the-sky panaceas created by the liberal pied pipers. To take the position that it was responsible to overtax to cut inflationary pressures rather than to support — indeed, force if necessary — cuts in the many federal programs on the books, seems to me to present a strategic juncture in the history of our Grand Old Party.

"I would remind many of our Republican leaders, including the President, that the history of the Republican Party did not commence on January 20, 1969. . . .

"To indicate that it was a breach of Republican solidarity to oppose the surtax extension and a vote against the President would have been humorous had it not been so ironic.

"I think it is fair to say that the great majority of Republicans and independents who supported President Nixon last year did so for the reason that they were fed up with Democrat-style super spending, and because he held out to them the promise of a change. I sincerely supported him on this basis. I believed him when he said he would clean out the State Department, reduce government spending, phase out the Job Corps, change the direction of the politically dominated poverty program, knock out the surtax, and so forth. I supported him and cheered when he indicated he would not tolerate a coalition government in Vietnam.

"Thus far, we have increased federal salaries, increased the national debt, increased the IDA [foreign-aid] authorization; and . . . we voted to extend the surtax. The Job Corps will apparently continue despite its record; and there is already an effort to extend the poverty program as is — just for starters. A coalition government

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in Vietnam may be just around the corner in one form or another. All of these, supposedly, will become Republican positions if that is what the White House wants. If this is so, count me out.

"Are we Republicans talking about cutting the bloated federal payrolls which found several hundred thousand new employees added during the Johnson administration alone? No. I read in the newspaper yesterday that there is a general feeling of relief in bureaucratic circles now that the hiring freeze has expired and they can start building their empires once more. What has happened to our Republican principles? . . .

"We simply have not given any honest indication that we are willing to do what we told the people we would do. No meaningful effort has been made to cut spending. This is why I think a vote to extend the surtax was irresponsible — it merely assured the spenders that the money would be there to continue business as usual. . . .

"I am not one of those Republicans — and they are apparently in the majority — who could view with alarm under Johnson last year and point with pride to the same thing under President Nixon this year. . . .

"I have heard precious little during these past six months about making necessary and substantial cuts in the Democrat spending programs. In fact, every indication seems to point in the opposite direction. For example, Health, Education, and Welfare Secretary Bob Finch has given us very little change over the Cohen brand of spending. In fact, he is asking for hundreds of millions more in some areas, and seems bent on trying to implement some sort of guaranteed annual income program and a national welfare floor which would negate the rights of the 50 States to set their own standards. . . .

"*U.S. News & World Report*, in its June 23 issue, made the following statement on page 34:

"'Unless Mr. Nixon rejects the counsel of most of his advisers on domestic affairs, he will soon be sending to Congress the most liberal welfare program ever proposed by a President of either major party.'

"If this is true, and I have no reason to doubt, does anybody honestly think this is what people voted for last November? . . .

"Is there any doubt in anyone's mind that if we had told the American people last fall that we would promote more spending programs, a renewal of the surtax, increases in the national debt, and a guaranteed annual income program that they would have stuck to the party that has demonstrated real expertise in these matters, the Democratic Party? It is clear to me that the people wanted the Republican Party to take them in a different direction. . . . They voted for a change. What will we tell them if we do not give it to them? I have a pretty good idea what they will tell us, and I suppose that is what really bothers me the most: not so much that we might lose, but that we will have missed a rare historic opportunity to move the government in the very direction which we have through the years advocated. We can and should restore some balance and sanity to the federal government, but will we?

"There is frustration everywhere about politicians and government. This is a central factor in the unrest which permeates the cities and the campuses. Are we Republicans going to add to this frustration? I believe we will if we follow the course of action which we seem locked into.

"There is always the argument that you can ride the waves, that people get upset for a while but soon forget. I would caution our Republican leaders not to bank on this hope. The people do remember, and will remember us. Our not-too-sterling performance at the special elections thus far should be some sort of a reminder that the people may be trying to tell us something. They spoke in Los Angeles, Minneapolis, and New York this year. They spoke last year. There is already one liberal party. We do not need another one.

"In my opinion, most people have had a belly full of politicians. Not Democrat politicians, just politicians. We Republicans can just as easily fit into that mould as those big-government advocates who have worn out their welcome with their

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constituencies. It may not be popular to point this out, but I am certain that it is a fact of life for us in 1970 and 1972.

"We have always held ourselves out to the public as a responsible, conservative party. We did this in the last election as we have done it throughout the years when it appeared public opinion might be going the other way. . . . Last year, we won a great victory. People everywhere have begun to see the fallacy of the liberal panaceas, and we had a true conservative mandate.

"If our Republican leaders have decided that we do not want to be the type of party we have been . . . let us at least be honest enough to tell the people this in direct and clear language. At least that much of our proud historic heritage could be respected."

* * *

TO RUN OR NOT TO RUN

The Executive Committee of The American Party of Texas has asked me to be a candidate for the U. S. Senate next year. My probable opponents would be the incumbent, Ralph Yarborough (Democrat, with a 4% conservative voting record), and U. S. Representative George Bush (Republican, with a 27% conservative voting record).

Facing such well-financed, well-organized, and powerful opposition, I would be reckless to run without first KNOWING that I will have enough financial support to make a strong fight. Before committing myself, I must have money available for radio-television broadcast time, advertising, extensive travel, campaign literature, office expenses, professional managerial assistance. If I run, I must run to *win*, so that my race will be a credit to the cause of constitutional government.

Consequently, I have opened a "Dan Smoot Campaign Fund" account to hold in escrow all political contributions until my final decision is made, at the end of this year. If I decide not to run, every contribution will be returned.

If you, who understand and respect the principles of American constitutional government, give me enough support, there will be at least one U. S. Senator dedicated to the restoration of our Constitutional Republic.

In a campaign (or in office, if elected), I would never deviate from any of the principles expressed consistently in this *Report* for the past 15 years.

If elected, I would never violate my sworn oath to uphold and defend the Constitution of the United States. I would work to get the standing army of federal bureaucrats off the backs of all the people so that they can handle their own affairs, in their own way, with their own money — dismantling the illegal, socialist-welfare programs of the federal government, turning back to the states the rights and duties that are lawfully theirs.

If you want me to run for the U. S. Senate, and can afford to help me, send your contribution NOW to the "Dan Smoot Campaign Fund." If I decide not to run, your money will be returned to you.

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